

AMENDED IN ASSEMBLY MAY 6, 2003

AMENDED IN ASSEMBLY APRIL 21, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1073

**Introduced by Assembly ~~Member Dutton~~ Assembly Members
Dutton and Parra**

February 20, 2003

An act to add Section 17136.5 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1073, as amended, Dutton. Personal income tax: exemption: military death gratuity.

The Personal Income Tax Law imposes a tax on individual taxpayers measured by the amount of the taxpayer's taxable income for the taxable year, but excludes certain items of income from the computation of tax.

This bill would, for taxable years beginning on or after January 1, 2003, exclude the ~~\$6,000~~ *entire amount of* death gratuity income received by the living survivor of a deceased member, former member, or person entering the service of, the Armed Forces of the United States, from the computation of the personal income tax for the taxable year in which the death gratuity is received.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17136.5 is added to the Revenue and
2 Taxation Code, to read:
3 17136.5. (a) For taxable years beginning on or after January
4 1, 2003, gross income does not include the death gratuity received
5 by the living survivor of a deceased member, former member, or
6 person entering the service of, the Armed Forces of the United
7 States.
8 (b) For purposes of this section:
9 (1) “Death gratuity” means the ~~six thousand dollars (\$6,000)~~
10 *entire amount of the* lump-sum payment made pursuant to Section
11 1478 of Title 10 of the United States Code.
12 (2) “Living survivor” means those persons described in
13 Section 1477 of Title 10 of the United States Code.
14 (3) “Deceased member, former member, or person entering the
15 service of, the Armed Forces of the United States” means those
16 persons described in Sections 1475 and 1476 of Title 10 of the
17 United States Code.
18 SEC. 2. This act provides for a tax levy within the meaning of
19 Article IV of the Constitution and shall go into immediate effect.

